No. 17848

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

ENGELHARD INDUSTRIES, INC.,

Appellant,

vs.

RESEARCH INSTRUMENTAL CORPORATION dba ANALYTIC SYSTEMS CO.,

Appellee.

APPELLEE'S BRIEF.

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Appellee.

APPELLEE'S BRIEF.

I.

STATEMENT OF THE CASE.

Appellee controverts appellant's statement of the case in that it does not set forth the undisputed facts relied upon by the District Court in granting summary judgment.

SUMMARY OF STATEMENT.

District Court Judge Peirson M. Hall granted the defendant appellee summary judgment.

The complaint charged the appellee with infringement of Hersch Patent 2,805,191 and unfair competition in allegedly making use of the disclosure covered by the claims of said patent prior to the issuance of the patent.

The controversy before the District Court concerned the use of a battery or galvanic cell for the purpose

of determining the oxygen content of a gas. The battery or galvanic cell will produce a current by chemical reaction when oxygen is present in the battery or cell. The amount of current produced is read on an ammeter or other electrical measuring device and the amount of current so indicated represents the amount of oxygen.

Schematic drawings of batteries or galvanic cells including the Hersch device, prior art devices, and the appellee's device are found in Appendix A hereto. A similar sketch was before the District Court [R. 222].

The aforementioned sketches illustrate that in the operation of such devices, oxygen is brought into contact with one electrode of the battery, namely the cathode. The oxygen reacts with the liquid in the battery, known as an electrolyte, which causes the production of hydroxyl ions which in turn react with the anode, *i.e.* the other electrode in the battery, and produce a current which is measured on the ammeter or other current measuring device. In other words, the structure contains the same elements found in an ordinary car battery, two electrodes, *i.e.* a cathode and an anode, a solution of electrolyte, and when oxygen is fed into the battery a current is produced that is read off on an ammeter.

The alleged *novelty* in the device patented and claimed in the Hersch patent in suit *relates only to the* cathode. The Hersch cathode is positioned partly below and partly above the liquid level of the electrolyte in the cell and constructed and operated in such a manner as to keep the area of the cathode positioned above said electrolyte level *free* of a film of electrolyte.

At the time of appellee's Motion for Summary Judgment there was no genuine issue as to a material fact

concerning the construction and mode of operation of the cathode in the defendant appellee's device.

The appellant expressly admitted and appellee's exhibits demonstrate that in appellee's device the cathode is so constructed that the electrolyte *creeps up* that portion of the cathode above the liquid level of the electrolyte in the device and forms a film of electrolyte thereon.

Summary judgment was based on a legal construction given the claims of the patent in suit in view of the admissions and statements made to the Patent Office to obtain the patent. The Patent Office file wrapper relating to said admissions and statements was before the Court without dispute.

The said file wrapper of the patent in suit shows and the patentee Hersch testified that the novelty in the patented device resides in a cathode designed *to prevent the electrolyte from creeping up* the exposed portion of the cathode so that said portion of the cathode is *free* of a film of electrolyte.

In view of the foregoing record, the District Court held that because of the assertions made before the Patent Office, in order to obtain the Hersch patent, the appellant was estopped from contending that the Hersch patent covered appellee's device admittedly having a *cathode designed* to cause the electrolyte to *creep up* the portion of the cathode extending above the liquid level of the electrolyte in the cell and form a film of electrolyte thereon.

Since appellant's count for unfair competition is based only on the charge of the use of information covered by the claims of the patent in suit, during a period prior to the issuance of the patent, and since

the District Court held that appellee's device was not covered by the claims of the patent in suit, a dismissal of said count followed the dismissal of the count for patent infringement.

The appellant bases its appeal on untenable and untimely affidavits endeavoring to create an issue of fact that were filed *after* the Court granted appellee's Motion for Summary Judgment and upon statements in appellee's U. S. Patent 2,992,170 issued subsequent to the Motion.

The said affidavits are untenable in endeavoring to contradict a sworn admission under Rule 36 as to the operation of appellee's device and in endeavoring to present alleged expert testimony of a patent attorney to contradict the District Court's holding on the purely legal question of file wrapper estoppel. The said affidavits were filed by the appellant as a part of a motion for rehearing on the matter of the District Court's granting summary judgment and without any pretense of a showing as to why the affidavits were not *filed before* the summary judgment hearing in accordance with Federal Rule of Civil Procedure 56(c).

The aforesaid appellee's U. S. patent 2,992,170, far from creating an issue of fact, adds a decision of the Patent Office to that of the District Court distinguishing appellee's device from appellant's patent.

The District Court found that the documents submitted by the appellant in support of its motion for rehearing did not present any new or substantial evidence which would warrant the Court in reversing its decision.

APPELLEE'S STATEMENT OF THE CASE.

A. The Language of the Patent in Suit and the File Wrapper Thereof Limits the Claims in Suit to a Cathode Having a Specific Construction and Mode of Operation.

The claims of the patent in suit as finally allowed by the Patent Office are claims 1, 7, 10, 11, 12, 14, and 17. It will be noted that all of said claims contain language defining the cathode as having *an area thereof free of contact with the electrolyte* and a portion of the said cathode submerged below the liquid level of a substantially stagnant electrolyte [R. Deft. Ex. A]. All of the said claims except claim 10 are limited to an *imporous* cathode.

In order to obtain his patent, the patentee Hersch asserted to the Patent Office that his cathode was designed to prevent the electrolyte from *creeping up* the portion of the cathode positioned above the liquid level of the electrolyte in the cell and forming a film of electrolyte thereon.

A certified copy of the Patent Office file wrapper of the patent in suit was before the District Court and there is no genuine issue as to its contents [R. 242, lines 15-17, Deft. Appellee's Physical Ex. A].

The patentee's statements and admissions relative thereto will be more particularly hereinafter discussed and are found in the aforementioned record of the proceedings before the Patent Office to obtain the patent [R. Deft. Ex. A, pp. 47, 49, 54, 55, 59, 79, 96, 97, 98, 99, and 100].

The patent application as originally filed had thirty-three claims. These claims as filed did not specify a *cathode* having the exposed portion thereof *free of electrolyte* or means to prevent a film of electrolyte from forming on the said exposed portion of a cathode including a special cathode design and a stagnant electrolyte [R. Deft. Ex. A, pp. 23-31]. The following is claim 1 from the patent application as filed.

> "A method for detecting the presence of oxygen in a gas which comprises conducting such a gas past a water line formed by a cathode not attackable by oxygen and an electrolyte while the said electrolyte is in contact with said cathode and an anode oxidizable in the presence of oxygen but more noble than hydrogen to generate a measurable current which is a function of the oxygen content of the gas." [R. Deft. Ex. A, p. 23].

The Patent Office then cited the Haller patent U. S. 2,651,612 [R. 38]. Thereafter, all of the original thirty-three claims in the patent application were cancelled and claims numbered 34 through 51 were added. These claims were likewise cancelled.

In the Patent Office action found on page 82 of the file wrapper [R. Deft. Ex. A], the Examiner stated all of the claims in the application were not patentable over the aforementioned Haller patent. This action of the Examiner rejecting all of the claims was made final and the aforementioned claims 34 through 51 were cancelled [R. Deft. Ex. A, pp. 82 and 83]. Still later the claims in suit, *i.e.* claims 1, 7, 10, 11, 12, 14, and 17 all limited to a *stagnant* electrolyte and a cathode having the portion thereof above the liquid

level of electrolyte in the cell, *free* of electrolyte, were added and allowed but only after an oral interview stressing the limitations therein [R. Deft. Ex. A, pp. 83, 95].

As exemplary of the foregoing, claim 7 of the patent in suit is reproduced here below.

> "A method for detecting and measuring the presence of small amounts of uncombined oxygen in a gas while substantially obviating inaccuracies in the measurement due to drift, generation of local currents, insensitivity and irreproducibility which comprises establishing contact between a *substantially stagnant,* aqueous, potassium hydroxide *electrolyte* and a lead anode, maintaining *a cathode of imporous silver having a portion of its area free of contact with said electrolyte* and having a portion of its area partially submerged in said electrolyte thereby providing at least one line of contact between said cathode and electrolyte, said line of contact enabling said free area of said cathode, the electrolyte and the gaseous atmosphere surrounding said cathode to form a three-phase boundary, conducting a stream of gas containing uncombined oxygen past the said line of contact to cause the generation of an electric current between said anode and cathode which current is a function of the concentration of the gaseous uncombined oxygen in the stream of gas adjacent the cathode, and measuring the current generated between said anode and cathode." (Emphasis added.)

Prior to allowance of the claims of the patent in suit and to distinguish over the prior Haller patent U. S. 2,651,612 disclosing a silver cathode positioned partially above and partially below the liquid level of an electrolyte in a cell, the patentee's attorney made the following representations to the Patent Office.

> "It is an *essential* feature of the present invention that a substantial portion of the surface of the cathode be free of any contact with electrolyte in order that *oxygen molecules contained in gas passing over the cathode impinge on the exposed cathode surface directly from the gaseous phase without prior dissolution in the electrolyte.* (emphasis by patentee's attorney).
>
> ". . . Moreover, the cathodes employed in accordance with the principles of the present invention should be *imporous,* i.e., devoid of pores, to *prevent creeping* of the electrolyte on or along the exposed cathode surface such that a film of electorlyte would subsequently completely envelop the cathode. Observance of this feature advantageously assists in preventing the occurrence of an electrolyte film completely about the cathode surface and insures the attainment of high sensitivity and drift-free operation particularly at low oxygen concentrations." [R. Deft. Ex. A, p. 47] (emphasis added).
>
> * * *
>
> "Moreover, the electrolyte should be substantially stagnant in order that the meniscus forming the electrolyte-cathode-gas boundary be not substantially disturbed by the movement or flow of the

electrolyte. Any substantial movement of the electrolyte *causing even a thin film of electrolyte to adhere to and to envelop the exposed cathode surface would effectuate a condition wherein the oxygen-containing gas would first have to be dissolved in the electrolyte film before migrating to the cathode.* As mentioned hereinbefore, such a situation gives rise to a sluggish process and inaccurate results.

"From the foregoing, it becomes quite apparent that applicant's invention necessitates the utilization of cathode/electrolyte/anode combinations which function in such a manner that they are capable of satisfying applicant's stringent and special conditions such as set forth hereinabove." [R. Deft. Ex. A, p. 49].

* * *

"Furthermore, *it is essential, in accordance with applicant's principles and concepts,* for reasons set forth hereinabove, *that a substantial portion of the surface area of a cathode emerge from and be completely free of electrolyte.* At low oxygen concentrations, the sensitivity to oxygen in applicant's invention increases as the exposed surface area of the cathode area increases and which is not covered by electrolyte. This new and very striking concept is in no way disclosed or proposed by Haller. One highly satisfactory manner in in which applicant insures that his exposed cathode surface be maintained free of contact with electrolyte resides in applicant's principle that electrolytes employed in the present invention should

be *stagnant* or *substantially stagnant.* Thus, movement or flow of the electrolyte that would cause complete envelopment of the external exposed surface of the cathode by the electrolyte and the detrimental effects caused thereby are prevented. On the other hand, it will be observed that *Haller provides a system wherein the electrolyte is in a state of flow.* At column 2, lines 40 to 42, and the paragraph bridging columns 2 and 3, of the Haller disclosure, there is a clear and unequivocal teaching that Haller's electrolyte bleeds through his porous member and that the rate of flow of such electrolyte solution should be maintained such that it will provide an external solution (electrolyte) film. Moreover, it would appear from a perusal of the Haller disclosure that in employing his *mobile* electrolyte, i.e., a continuous rate of flow of electrolyte, that his external film of electrolyte enveloped the outer surface of his cathode in order that his oxidizing or reducing gas be dissolved therein." [R. Deft. Ex. A, p. 54] (emphasis by patentee's attorney).

* * *

". . . utilization of cathodes *wherein a substantial portion of the cathode surface is free of contact with the electrolyte employed in combination therewith;* and the utilization of stagnant or substantially stagnant electrolytes to *prevent the creeping thereof along the exposed cathode surface.*" [R. Deft. Ex. A, p. 55] (emphasis added).

* * *

In resubmitting the claims which were finally allowed, the patentee's attorney in support of those claims stated:

> "For example, each of the new apparatus claims require the structural feature of a substantial portion of the cathode employed in accordance with applicant's invention *be free of contact with the electrolyte and that a substantial area of the cathode is exposed to an oxygen-containing gas.*" [R. Deft. Ex. A, p. 96] (emphasis by patentee's attorney).

The patentee's attorney in furtherance of his efforts to secure the finally allowed claims additionally stated as follows:

> "It is likewise to be noted that applicant's requirements are just the *opposite* of those of Haller. Thus, applicant requires a *stagnant* electrolyte whereas Haller requires an electrolyte which '*bleeds through* the porous tubular section'. (See lines 40 to 42 of column 2 of Haller's specification) Applicant must maintain a *partially submerged* area on the cathode whereas Haller must maintain a *film* of solution on his porous section *completely* submerging his electrode. In lines 42 to 45 of column 2, Haller states that:
>
> > 'a film of solution is at all times maintained on the outside of the porous section in contact with the platinum electrode'.

In lines 45 to 48 of column 2, Haller also states that:

> 'When the gas mixture comes into contact with the *film* of electrolyte, the oxidizing or reducing gas dissolves reversibly therein * * *.'

Furthermore, Haller states in the passage beginning with lines 54 and 55 of column 2 and ending at line 5 of column 3 that:

> 'if the rate of flow of solution through the porous tube is insufficient to maintain the external solution *film,* the electrode may be externally washed with water or a suitable solution at a low rate sufficient only to maintain the solution film and avoid crystallization.'" [R. Deft. Ex. A, p. 100] (emphasis by patentee's attorney).

In addition to the limitations placed upon the claims of the patent in suit by the admissions and statements made to the Patent Office in order to obtain the issued patent over Haller, further specific and limiting language relative thereto is found in Col. 3, lines 15-40 of the Hersch patent as follows:

> "A substantial portion of the cathode area must be *free of any contact* with the electrolyte which is substantially *stagnant,* not agitated, i.e., the meniscus forming the electrolyte-cathode-gas boundary should not be substantially disturbed by movement of the electrolyte. Oxygen molecules are thereby enabled to be adsorbed on the electrode directly from the gas *phase without prior dissolution in the electrolyte.* While adsorbed, the molecules travel swiftly toward the water line where

they are ionized. If the cathode is completely submerged, as for example in polarographic methods of analysis, the oxygen molecules must first dissolve and then in the dissolved state diffuse towards the cathode. This is a sluggish process giving rise to small currents only. Even on applying agitation, at least a *thin film of* liquid adhering to the cathode would still have to be traversed and the current output would greatly depend on the manner and degree of such agitation. For high sensitivity and driftfree operation, particularly at low oxygen concentrations, the cathode should be comprised of an imporous or non-porous element, i.e., a body devoid of pores. Thus, for example, the cathode may take the form of a solid metal element such as sheet, wire, etc., or it may be in the form of gauze, the elements of which are solid strands. This ensures a geometrically well-defined meniscus free from creep by the electrolyte and such an electrode does not show aging effects as does, for example, porous carbon." [R. Hersch patent in suit, Col. 3, lines 15-40]. (Emphasis added.)

(1) Admissions by the Patentee Hersch During Deposition Limiting the Claims of the Patent in Suit.

The patentee Hersch's deposition has been taken. His testimony was in keeping with the statements made by his attorney to the Patent Office. He testified when examined by Mr. Bryan as a witness for appellant as follows:

"Q. So then you contemplated in your U. S. patent that there would in fact be a film of elec-

trolyte on your cathode, did you not? A. I do not contemplate taking any deliberate steps to produce a film of electrolyte on the exposed part of the cathode and I do not consider such a film as beneficial." [R. Tr. of Hersch Dep., p. 219].

(2) Additional Limiting Prior Art Not Cited by the Patent Office.

The claims of the Hersch patent in suit are further limited if not invalidated by prior art that was not cited by the Patent Office but was in the record before the District Court [R. A102, a translation of a prior German patent 749,603; R. A103, a prior Jacobson patent, U. S. 2,156,693].

The German patent 749,603 discloses the use of a galvanic cell to measure the oxygen content of a gas with the cathode positioned partially below and partially above the liquid level of the electrolyte in the cell. The patentee discloses that he had used metal plate, wire mesh, and porous cathodes such as carbon, sponge metal, and sintered metal and preferred the latter [R. 204 at 206, par. 2; R. 211, par. 2; R. 214]. The German patentee preferred to use a porous cathode. The type of porous cathode so preferred caused the electrolyte to *creep up* that part of the cathode extending above the liquid level of the electrotype in the cell and thereby form a film of electrolyte on a portion of the said part of the cathode.

> "The nature of the invention is thus to be seen in this manner of operation that a gas electrode (already known as such) having a surface of a porous material capable of *absorbing* the electro-

lyte, such as for example electrode carbon, metal sponge, or sintered metal powder, serves as the electrode in question, which dips only partially into the liquid, so that the depolarization current is generated at the particularly strongly developed *three-phase boundary.*" [R. 207] (emphasis added).

Thus, appellant is not only estopped by the file wrapper of the Hersch patent in suit from contending that the claims thereof cover a cathode having a film of electrolyte on any part of the exposed portion thereof but also by the aforementioned German patent 749,603. Unless the claims of the Hersch patent are limited to a cathode with its exposed portion completely *free* of a film of electrolyte the claims would be invalid as reading on the preferred embodiment of the said German patent.

The District Court did not reach the matter of the invalidity of the Hersch patent over the German patent 749,603 as urged by appellee in that the matter had become moot by the Court's holding of non-infringement [R. 249, lines 31, 32].

In addition to the aforementioned patents, Hersch has admitted in a publication [R. Deft. Ex. K] published long prior to the instant litigation that he does not desire to use cathode materials that will cause the electrolyte to creep and he prefers a partly gas exposed non-porous metallic cathode in his device. Hersch admits further in this article that the patentee of the German Patent 749,603 had used the cathode Hersch uses prior to Hersch's work and rejected them for porous cathodes [R. Deft. Ex. K].

In view of the foregoing record, the District Court found as a matter of law that appellant was estopped to contend the claims of his patent cover a device in which the cathode is designed in such a way as to cause the electrolyte therein *to creep up* the portion of the cathode extending above the liquid level of the cell and form a film of electrolyte thereon.

B. The Proof in the Record as to the Construction and Mode of Operation of Defendant Appellee's Device.

(1) The Record at the Hearing on the Motion for Summary Judgment Raised No Genuine Issue of Material Fact as to the Construction and Operation of Defendant's Device.

In distinction to the device claimed in appellant's patent, the cathode in appellee's device is not constructed in a manner to *prevent* the electrolyte from *creeping* up the exposed portion thereof so as to keep said portion of the cathode free from and not covered by a film of electrolyte.

Appellee desires to have the electrolyte in its device *creep up* the unimmersed portion of the cathode to form a film of electrolyte thereon and its device is so constructed [R. 197, Ex. A100].

The defendant's device was before the Court [R. Deft. Appellee's Physical Ex. A100]. The affidavit of Reed C. Lawlor [R. 197] described the cathode in defendant's device as consisting of eight members partly immersed in the electrolyte, each of which is composed of folded wire mesh screen portions forming eight double screens, and is so constructed *that by means of capillary attraction,* the electrolyte *creeps* up said por-

tions of each of said eight cathode members extending above the liquid level of the electrolyte in the pool of electrolyte in defendant's device so as to *cause a film of electrolyte to cover defendant's cathode.*

The appellant offered no conflicting evidence as to the construction and operation of the defendant's device at the hearing on the Motion for Summary Judgment. The Court summarized the appellant's case before it as follows:

> "While the plaintiff has stated that there is a genuine issue as to the construction of defendants' device and its operation, that is merely a conclusion, and there is no counter-affidavit as to the method of construction or function of defendants' device. Hence, the Court must accept the description of defendants' device, together with viewing the object itself, as being true. There is thus no genuine issue as to the construction or operation of defendants' device (citing cases).
>
> "The affidavit of Bryan (R. 180) that the Patentee Hersch 'made an unequivocal statement in his presence,' to the effect that he considered the oxygen analyzer manufactured by the defendants to be 'an infringement' of the patent in suit, raises no genuine issue as to a material fact on the question of file wrapper estoppel, as it is hearsay, and at best, an expression of opinion by Hersch, and an opinion is not a fact. The affidavit of Cohn (R. 182), an expert, that in his 'opinion the oxygen analyzer manufactured by defendants is an infringement' of the patent in suit reaches no fact and creates no genuine issue.

"This is particularly so as to the opinions of both Hersch and Cohn because the plaintiff has one of defendants' devices and has operated it (Admissions No. 253 and 263), and had plaintiff desired to, it could have pointed out by affidavit the precise construction and operation of defendants' device which may, or may not, have raised a genuine issue.

"Moreover, by Admissions No. 256 and 257, plaintiff admits that defendants' device uses a wire screen cathode, and that the oxygen contacting the cathode has diffused through the electrolyte to the cathode. The latter is another way of saying that defendants' unimmersed portion of the cathode is *not 'free'* of contact with the electrolyte, as set forth in each of the claims in suit." [R. 242, line 28, to 244, line 1].

(2) Appellant's Attempt to Change the Record as to the Construction and Operation of Defendant's Device by the Submission of Additional Documents on a Motion for Rehearing.

The defendant appellee filed its notice of motion for summary judgment on May 31, 1961 [R. 87]. Appellee's motion recited that it was based upon the pleadings, the patent in suit and the file wrapper thereof, plaintiff's response to specific requests for admissions, answers to interrogatories, designated depositions, exhibits and admissions of appellant's counsel [R. 90-93]. In response to appellee's motion, the appellant filed a formal

document entitled "Statement of Genuine Issue of Material Facts in Opposition to Defendant's Motion for Summary Judgment" [R. 156], but in support thereof filed only the affidavit of Bryan [R. 180] and an affidavit of Cohn [R. 182].

The court rendered its decision on July 24, 1961 [R. 240] and stated that in arriving at its conclusion that it relied on "only the pleadings; the patent in suit; its file wrapper; the defendants's device, auto-optically; plaintiff's admissions Nos. 253, 256, 257, 263; the affidavits of Lawlor, Bryan and Cohn; and the numerous statements, arguments and briefs of counsel". The Court noted that other matters were irrelevant and immaterial on the issue of file wrapper estoppel which disposed of the case.

Appellant and appellee have reproduced, before this Court, all of the material portions of the record so referred to by the trial court.

After the decision of the trial court was rendered, but before formal judgment was rendered, the appellant filed a document entitled "Motion for Rehearing of Defendant's Motion for Summary Judgment" [R. 252]. The Court heard appellant's Motion for Rehearing on November 13, 1961 [R. 511] and did not find that appellant had presented any new or substantial evidence which would warrant the Court in reversing its decision [R. 438]. In support of this "Motion for

Rehearing" appellant filed the following documents:

(1) A second affidavit of J. Gunther Cohn [R. 404].

(2) A second affidavit of James Bryan (not brought up on appeal).

(3) An affidavit of a New York patent attorney, A. W. Deller [R. 416].

(4) An affidavit of B. B. Knapp [R. 425].

(5) A copy of appellee's Robinson Patent No. 2,992,-170 and the file history thereof issued June 11, 1961.

Appellant did not file any affidavit nor did it offer any evidence that any of the matters set forth in any of the above affidavits were unknown to it at the time of the hearing on the motion for summary judgment nor did appellant suggest any justification for submission of these documents after the decision of the court.

Although plaintiff admitted that in the defendant's device the only oxygen contacting the cathode is oxygen that is diffused through electrolyte to the cathode [R. 83, Appellant's Response to Defendant's request for admission No. 256] — Cohn argued to the *contra* in his second affidavit. Moreover, in May of 1961, which was prior to the hearing on the Motion for Summary Judgment on June 19 and 20, 1961, Cohn testified, after studying and photographing the defendant's cathode, that he knew of no portion thereof that was not covered by a film of electrolyte [R. Cohn Dep. May 24, 1961, p. 302, line 25, to p. 303, line 5]. Cohn testified in the said deposition as aforementioned, that

he had taken photographs of appellee's cathode, but refused to produce the said photographs at his deposition although he admitted that he had them in the room with him [R. Cohn Dep., pp. 229 and 230].

The Deller affidavit, also filed without any stated justification after the decision of the motion for summary judgment, related solely to the legal interpretation of the word imporous from the file wrapper of the patent in suit, a pure question of law.

The Knapp affidavit does not relate to the operation of appellee's device or the claims in the patent in suit. It is confined solely to a hearsay statement as to a device that was made by Hersch's employer, the Mond Nickel Company, and photographs thereof.

Finally, appellee's new Patent No. 2,992,170 was relied on in appellant's motion for rehearing. Far from creating an issue of fact, it simply added the decision of the Patent Office to that of the District Court in distinguishing appellee's device from appellant's patent. An embodiment found in said patent describes a device of the type made and sold by appellee. More particularly, column 2 of the patent, lines 5 through 17; column 4, lines 13 through 19; column 4, lines 65 through 70, all describe an oxygen analyzer having a cathode designed to cause the electrolyte to *creep up* the portion thereof above the liquid level of the electrolyte in the cell and to cover said portion with a film of electrolyte. It should be noted the Patent Office granted appellee's patent over the Hersch patent in suit as a reference.

APPELLANT'S CLAIM OF UNFAIR COMPETITION.

The appellant joined with its count for patent infringement a count for unfair competition [R. 4, pars. 1 and 2]. This count is based only on the charge that appellee used the same information set forth in the claims in the patent in suit during a period prior to the issuance of the patent. The record herein, as noted above in pages 20 and 21, demonstrates that appellee's device is not covered by the claims of the patent in suit. Upon this ground the District Court held as a matter of law that appellee was not guilty of unfair competition as charged in the complaint.

It should be noted that it was undisputed in the record that appellee Analytic Systems was organized after the issuance of the patent in suit, *i.e.* after September 3, 1957, and appellee did not build the accused device until November of 1957 [R. 39, Statement 108; R. 59]. Thus, it was undisputed in the record that all of the information covered by the claims of the patent in suit was published and in the public domain, except as protected by the claims of the patent under patent law, prior to the time the defendant built the accused structure [Bryan Dep., p. 151, line 13, to p. 152, line 18; p. 171, line 14, to p. 172, line 18]. Still further appellant's attorney admitted in open court that no trade secrets are or were involved in its charge of unfair competition [Tr. of Court Hearing September 12, 1960, p. 19, lines 12 to 14].

To complete the record before the District Court relative to appellant's claims herein, it should be noted that appellant, acting through its sales executive, acquired title to the patent in suit some time after appellee went in business and the prior owner of the said patent never made any claim that appellee was competing unfairly with it [R. 3, 28, 29; Admissions 73, 74, 76, 77, 78, and 79].

II.

THE ISSUES ON APPEAL.

A. Did the District Court err in holding that because of the admissions and accepted limitations found in the file wrapper of the patent in suit that the appellant was estopped as a matter of law from contending that the claims of the Hersch patent covered a device having a cathode designed to cause the electrolyte to creep up the exposed portion of the said cathode and form a film of electrolyte thereon?

B. Did the District Court err in finding that there was no genuine issue as to the material fact that the cathode in appellee's device was constructed and designed in such a manner as to cause the electrolyte to *creep* up the exposed portion of the said cathode and form a film of electrolyte thereon?

C. In light of the District Court's holding that appellee's device was not covered by the claims of the patent in suit, did the District Court err in holding that appellee was not guilty of unfair competition based on a charge of unfairly using information covered by the claims of the patent?

III.

SUMMARY OF ARGUMENT.

The appellee contends that there was no error in the court's ruling as a matter of law, on the scope to be given the claims of the patent in suit. The clear language of the patent specification, the claims as finally allowed over the Haller patent of record, and the statements made by the patentee's attorney to the Patent Office can lead to but one conclusion, *i.e.* that the appellant is estopped to contend the claims of the patent in suit cover a device designed to cause a film of electrolyte to *creep up* that portion of the cathode extending above the liquid level of the electrolyte in the cell and form a film of electrolyte thereon.

The District Court did not err in finding there was no genuine issue before it on the Motion for Summary Judgment as to the material fact that the cathode in appellee's device is designed and operated in such a manner as to cause the electrolyte to creep up the exposed portion of the said cathode and form a film of electrolyte thereon. Even the untimely Cohn affidavit filed on the motion for a rehearing admitted that appellee's device was so designed and operated.

The appellant's charge of unfair competition as found in the complaint is that appellee made use of the information covered by the claims of the patent in suit prior to the issuance thereof. In view of the record before the court, it is apparent that appellee did not compete unfairly as alleged, because as the District Court held appellee did not use the information found in the claims of appellant's patent. Moreover, appellant's counsel stipulated in open court that no trade secrets were involved and such an admission is fatal to the alleged cause of action under the law of this State and Circuit.

IV.

ARGUMENT.

INTRODUCTION.

The Court Below in Granting Summary Judgment Acted in Accordance With Rule 56 of Federal Rules of Civil Procedure, and Prior Decisions of This Court.

The judgment below was on appellee's Motion for Summary Judgment. Rule 56 of the Federal Rules of Civil Procedure directs that summary judgment "shall be rendered forthwith if the pleadings, depositions, and admission on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law."

The District Court disposed of the issue of patent infringement by determining as a matter of law from the file wrapper of the patent in suit that the claims as limited thereby did not cover appellee's device. The decision of the District Court is in keeping with prior decisions of this court and other Federal Courts holding that the matter of infringement is a matter of law when there is no genuine material issue of fact as to the construction and mode of operation of the accused device. This is particularly so where as in the instant case the dispute turns on a very simple question namely the construction and mode of operation of the cathode as claimed in the patent in suit. Thus, this Court, in *Rankin v. King,* 272 F. 2d 254, 258,

sustained summary judgment of a District Court even on a more extreme issue, *i.e.* the validity of a patent, stating as follows:

> "The mere presence of affidavits alleging questions of fact existed, or differing in interpretation and reading of the patent and various prior art, whether cited or non-cited, is of no consequence if the court did not consider such disputed facts. Here he specifically declined to consider such affidavits, but considered only the patent in suit, the alleged infringing product, the prior art cited in the file wrapper, and the non-cited prior art."

It is axiomatic that in patent litigation the matter of file wrapper estoppel is an equitable defense (*Aldrige v. General Motors* (1959), 178 F. Supp. 839 and cases there cited). When raised, this Court has held that it should be disposed of before the other issues are tried (*Moon v. Cabot Shops, Inc.* (9th Cir. 1959), 270 F. 2d 539, 545.

In *Dolgoff v. Kaynar* (D.C. S.D. Cal., 1955), 18 F. R. D. 424, 427, the District Court granted summary judgment in a patent case on the ground of no infringement and in support of its holding stated:

> "it seems settled that when there is no genuine issue of material fact bearing on the question of infringement, in that the structure and mode of operation of the accused device are such that they

may be readily comprehended by the court and understandingly compared in the light of the prior art with the device described in the patent in suit, without the need of technical explanation by expert witnesses, the court may and should grant summary judgment. See: Kwikset Locks, Inc. v. Hillgren, 9 Cir., 1954, 210 F. 2d 483, 488-489, certiorari denied, 1954, 347 U.S. 989, 74 S.Ct. 852, 98 L.Ed. 1123; Steigleder v. Eberhard Faber Pencil Co., 1 Cir., 1949, 176 F.2d 604, certiorari denied, 1949, 338 U.S. 893, 70 S.Ct. 244, 94 L. Ed. 548; Smith v. General Foundry Mach. Co., 4 Cir., 1949, 174 F.2d 147, 151, certiorari denied, 1949, 338 U.S. 869, 70 S.Ct. 144, 94 L.Ed. 533; Stuart Oxygen Co. v. Josephian, 9 Cir., 1947, 162 F.2d 857, 859; Alex Lee Wallau, Inc. v. J. W. Landenberger & Co., D.C. S.D.N.Y. 1954, 121 F. Supp. 555; Hendel v. Kam Water Heater Mfg. Co., D.C.E.D.N.Y. 1953, 114 F. Supp. 567, 569; Montmarquet v. Johnson & Johnson, D.C.D. N.J. 1949, 82 F.Supp. 469, 474, affirmed 3 Cir., 1950, 179 F.2d 240, certiorari denied, 1950, 339 U.S. 979, 70 S.Ct. 1025, 94 L.Ed. 1384; cf. Parke, David & Co. v. American Cyanamid Co., 6 Cir., 1953, 207 F.2d 571."

A. The District Court Did Not Err in Holding That in View of the Express Disclaimers, Admissions and Limitations Found in the File Wrapper of the Patent in Suit That the Appellant Was Estopped as a Matter of Law From Contending That the Claims of the Hersch Patent Covered a Device Having a Cathode Designed to Cause the Electrolyte to Creep Up the Exposed Portion of the Said Cathode and Form a Film of Electrolyte Thereon.

As the District Court pointed out, the Hersch patent in suit and the defendant's device both disclosed an enclosed area, an electrolyte (electrical conductor) liquid or aqueous in form, an anode (positive pole) completely immersed in the electrolyte and a cathode (negative pole) only partly immersed in the electrolyte.

The dispute, the District Court noted, turns upon the simple question as to whether or not in the claims in suit the portion of the cathode not immersed in the electrolyte must be constructed in such a fashion as to *prevent* the electrolyte from "creeping up" the portion of the cathode above the liquid level of the electrolyte so as to keep said portion thereof free of a film of electrolyte, and whether or not appellee's device is so constructed [R. 242].

The Court approached the problem, as it necessarily was required to do by first determining the scope of the claims in appellant's patent in suit by a study of the patent and the file wrapper thereof.

The use of the proceedings before the Patent Office to determine the scope of the claims in a patent has long been recognized in the Federal Courts. Under

this practice the proceedings before the Patent Office may estop a patentee from contending for a certain construction of the claim of his patent or aid in construing any portion of the language of the specification or claims of a patent that is unclear. Thus, in the early case of *Shepard v. Carrigan,* 116 U. S. 593, 597, 6 S. Ct. 493, 29 L. Ed. 723, the Supreme Court had before it the question as to whether a patentee who had limited his claim after rejection by the Patent Office could expand it again after the issuance of the patent to cover the accused device. In rejecting the patentee's assertion, the court said:

> "Where an applicant for a patent to cover a new combination is compelled by the rejection of his application by the patent-office to narrow his claim by the introduction of a new element, he cannot after the issue of the patent broaden his claim by dropping the element which he was compelled to include in order to secure his patent. *Leggett v. Avery,* 101 U.S. 256; *Goodyear Dental Vulcanite Co. v. Davis,* 102 U.S. 222-228; *Fay v. Cordesman,* 109 U.S. 408; S.C. 3 Sup .Ct. Rep. 237; *Mahn v. Harwood,* 112 U.S. 354-359; S.C. 5 Sup. Ct. Rep. 174; *Cartridge Co. v. Cartridge Co.,* 112 U.S. 624-644; S.C. 5 Sup. Ct. Rep. 475; *Sargent v. Hall Safe & Lock Co.,* 114 U.S. 63; S.C. 5 Sup. Ct. Rep. 1021."

To the same effect, see *Smith v. Magic City Kennel Club,* 282 U. S. 784, 789, 51 S. Ct. 291. There the court said:

> " 'Whether the examiner was right or wrong in rejecting the original claim, the court is not to

> inquire. Hubbell v. United States supra [179 U.S.] 83 [21 S.Ct. 24, 45 L.Ed. 95]. The applicant having limited his claim by amendment and accepted a patent, brings himself within the rules that if the claim to a combination be restricted to specified elements, all must be regarded as material, and that limitations imposed by the inventor, especially such as were introduced into an application after it had been persistently rejected, must be strictly construed against the inventor and looked upon as disclaimers. Sargent v. Hall Safe & Lock Company, 114 U.S. 63, 865 S.Ct. 1021, 29 L. Ed. 67; Shepard v. Carrigan, 116 U. S. 598, 6 S.Ct. 493 [29 L. Ed. 723] supra; Hubbell v. United States, 179 U.S. 85, 21 S.Ct. 24 [45 L. Ed. 95] supra. The patentee is thereafter estopped to claim the benefit of his rejected claim or such a construction of his amended claim as would be equivalent thereto. Morgan Envelope Company v. Albany Paper Company, 152 U.S. 425, 429, 14 S. Ct. 627, 38 L. Ed. 500.' "

This Court has often adopted and applied this doctrine. Thus, in *D & H Electric Company v. M. Stephens Mfg.* (C. C. A. 9, 1956), 233 F. 2d 879, 883, this Court stated:

> "This is simply the exercise of the doctrine of 'file wrapper estoppel'—the gravamen of which is that an applicant who acquiesces in the rejection of his claim, and accordingly modifies it to secure its allowance, will not subsequently be allowed to expand his claim by interpretation to include the principles originally rejected or their equivalents."

Other cases so holding:

Van Brode Milling Company v. Cox Air Gauge Systems, Inc. (C. C. A. 9, 1960), 279 F. 2d 313, 316-317;

Bauer v. Yetter Manufacturing Co. (S. D. Ill. 1962), 205 F. Supp. 904, 909.

In the instant case the application of the principle of file wrapper estoppel was relatively simple and direct. From the discussion of the patent and the file wrapper thereof to follow, it will be noted as the District Court found that the patentee Hersch at all times contended that in the patented device the portion of the cathode extending above the liquid level of the electrolyte in the cell should be *completely free* of a film of electrolyte. In order to keep the said portion of the cathode free of any film of electrolyte the patentee Hersch specified that the electrolyte must be stagnant and the cathode constructed of a material that would *prevent* any creep of electrolyte up the portion of the cathode extending above the liquid level of the electrolyte in the device. In the patent, column 3, lines 15 through 42, the patentee states as follows:

> "A substantial portion of the cathode area must be free of any contact with the electrolyte which is substantially stagnant, not agitated, i.e., the meniscus forming the electrolyte-cathode-gas boundary should not be substantially disturbed by movement of the electrolyte. Oxygen molecules are thereby enabled to be adsorbed on the electrode directly from the gas phase without prior dissolution in the electrolyte. While adsorbed, the molecules travel swiftly toward the water line where

they are ionized. If the cathode is completely submerged, as for example in polarographic methods of analysis, the oxygen molecules must first dissolve and then in the dissolved state diffuse towards the cathode. This is a sluggish process giving rise to small currents only. Even on applying agitation, at least a thin film of liquid adhering to the cathode would still have to be traversed and the current output would greatly depend on the manner and degree of such agitation. For high sensitivity and drift-free operation, particularly at low oxygen concentrations, the cathode should be comprised of an imporous or non-porous element, i.e., a body devoid of pores. Thus, for example, the cathode may take the form of a solid metal element such as sheet, wire, etc., or it may be in the form of gauze, the elements of which are solid strands. This ensures a geometrically well-defined meniscus free from creep by the electrolyte and such an electrode does not show aging effects as does, for example, porous carbon."

The language of the specification of a patent, as above, can of course be used to construe the claims of a patent. See *Schnitzer v. California Corrugated Culver Company* (C. C. A. 9, 1944), 140 F. 2d 275, 276, and cases cited therein.

Seldom has an applicant for a patent, gone to the ends noted in the file wrapper of the patent in suit, to more *specifically limit a single element* in a combination patent.

The file wrapper of the prosecution of the patent in suit is reviewed on pages 6 through 13 hereof.

The file wrapper [R. Deft. Ex. A] is also before this Court. As there noted, the applicant presented and cancelled a total of fifty-one claims before the Patent Office Examiner was convinced that the claims defined the invention described in the language of the patent specification and distinguished over the prior Haller patent U. S. 2,651,612.

The claims originally presented were not limited to a cathode having its exposed portion free of electrolyte or means to prevent a film of electrolyte from forming on the cathode including a special cathode design and a stagnant electrolyte [R. Deft. Ex. A, pp. 23-31]. Original claim 1, for example, simply required the cathode to be in contact with an electrolyte [R. Deft. Ex. A, p. 23]. Original claim 9 called for the cathode to be positioned partially below and partially above the liquid level of the electrolyte in the cell, *i.e.* partially submerged in the electrolyte [R. Deft. Ex. A, p. 25]. As aforementioned, said claims and a total of fifty-one claims were rejected.

The patentee's attorney urged at great length as may be noted from the defendant's Exhibit A and as aforementioned it was an essential feature of the patentee's invention that the electrolyte be *stagnant* and that the cathode be so designed as to prevent *any film of electrolyte* from creeping up that portion of the cathode extending above the liquid level of the electrolyte in the cell [R. Deft. Ex. A, pp. 47, 49, 54, 55, 59, 79, 96, 97, 98, 99, and 100].

The foregoing record is summarized below and it is undenied in the record that the claims in suit are limited to a cathode having the portion thereof extending

above the liquid level of the electrolyte in the cell entirely free of a film of electrolyte.

1. "It is an essential feature of the present invention that a substantial portion of the surface of the cathode be free of any contact with electrolyte in order that oxygen molecules contained in gas passing over the cathode impinge on the exposed cathode surface directly from the gaseous phase without prior dissolution in the electrolyte." [R. Deft. Ex. A, p. 47].

2. . . . "Moreover, the cathodes employed in accordance with the principales of the present invention should be *imporous,* i.e., devoid of pores, to *prevent creeping* of the electrolyte on or along the exposed cathode surface such that a film of electrolyte would subsequently completely envelope the cathode. Observance of this feature advantageously assists in preventing the occurrence of an electrolyte film completely about the cathode surface and insures the attainment of high sensitivity and drift-free operation particularly at low oxygen concentrations." [R. Deft. Ex. A, p. 47] (emphasis added).

3. "Moreover, the electrolyte should be substantially stagnant in order that the meniscus forming the electrolyte-cathode-gas boundary be not substantially disturbed by the movement or flow of the electrolyte. Any substantial movement of the electrolyte *causing even a thin film of electrolyte to adhere to and to envelope the exposed cathode surface would effectuate a condition wherein the oxygen-containing as would first have to be dis-*

solved in the electrolyte film before migrating to the cathode. As mentioned hereinbefore, such a situation gives rise to a sluggish process and inaccurate results.

"From the foregoing, it becomes quite apparent that applicant's invention necessitates the utilization of cathode/electrolyte/anode combinations which function in such a manner that they are capable of satisfying applicant's stringent and special conditions such as set forth hereinabove." [R. Deft. Ex. A, p. 49] (emphasis added).

4. ". . . utilization of cathodes *wherein a substantial portion of the cathode surface is free of contact with the electrolyte employed in combination therewith;* and the utilization of stagnant or substantially stagnant electrolytes to *prevent the creeping thereof along the exposed cathode surface.*" [R. Deft. Ex. A, p. 55] (emphasis added).

When the patentee testified in this case under oath, his testimony was in keeping with the above statements made by his attorney to the Patent Office:

A. "I do not contemplate taking any deliberate steps to produce a film of electrolyte on the exposed part of the cathode and I do not consider such a film as beneficial." [R. Tr. of Hersch Dep., p. 219].

It should be noted that the construction of the claims urged in the foregoing is in keeping with the clear teachings of the language of the Hersch patent in suit found in Column 3, lines 15-42 thereof, which specifies the operation of the device requires the oxygen to impinge on the substantial area of the cathode

that is entirely free of a film of electrolyte and thereafter migrate down the cathode to the water line or liquid level of electrolyte in the cell. It is specifically pointed out that the cathode should be constructed in such a manner to prevent electrolyte from creeping up the portion of the cathode above the liquid level of the electrolyte in the cell. It is further stated that the electrolyte should be stagnant and the cathode should be made of an imporous or non-porous element, *i.e.* a body devoid of pores.

In addition to these express limiting admissions by the patentee and the express disclaimers by the patentee to the effect that the exposed portion of the cathode must be completely free of even a film of electrolyte and that a non-porous material and a stagnant electrolyte must be employed in order to accomplish this result, the patentee, after his claims were rejected over the Haller patent, formally accepted these limitations in redrafting the claims to include language in keeping therewith. Thus, in all of the claims in suit, *i.e.* 1, 7, 10, 11, 12, 14 and 17, the limiting language is included requiring that the exposed portion of the cathode be free of electrolyte and the electrolyte kept stagnant to insure this result. Moreover, in each of the said claims, except claim 10, the patentee specified a cathode of an imporous material. Even in claim 10, the patentee designated a metal cathode and it is clear from the specifications and the file wrapper statements, as cited above, that all of said claims must be read to require a cathode that would *prevent* the electrolyte from creeping up on that portion of the cathode extending above the liquid level of the electrolyte in the cell.

The patentee *limited* all of the claims of the patent in suit in keeping with the foregoing testimony and representationts made to the Patent Office. The specific limitations in the aforementioned claims is set out below.

Claim 1 requires "contact between a substantially stagnant . . . electrolyte, maintaining a cathode of imporous precious metal having a portion of its area free of contact with said electrolyte and having a portion of its area partially submerged in said electrolyte."

Claim 7 provides for establishing contact between a "substantially stagnant . . . electrolyte . . . maintaining a cathode of imporous silver having a portion of its area free of contact with said electrolyte and having a portion of its area partially submerged in said electrolyte . . . thereby providing at least one line of contact between said cathode and electrolyte, said line of contact enabling said free area of said cathode, the electrolyte and the gaseous atmosphere surrounding said cathode to form a three-phase boundary."

Claim 10 of the patent provides for establishing contact between "a substantially stagnant . . . electrolyte, maintaining a metal cathode having a portion of its area free of contact with said electrolyte and having a portion of its area partially submerged in said electrolyte."

Claim 11 provides for establishing contact between "a substantially stagnant . . . electrolyte, maintaining a cathode of imporous precious metal

having a portion of its area free of contact of said electrolyte and having a portion of its area partially submerged in said electrolyte."

Claim 12 of the patent provides for an apparatus which includes "a cathode of imporous precious metal having an area free of an aqueous electrolyte and having an area partially submerged in said aqueous electrolyte maintained substantially stagnant thereon, said free area and said partially submerged area being exposed to said stream of gas whereby a three-phase boundary is formed . . .".

Claim 14 provides for an apparatus which includes "a cathode of imporous metal having an area free of an aqueous electrolyte and having an area partially submerged in said aqueous electrolyte maintained substantially stagnant thereon, said free area and said partially submerged area being exposed to said stream of gas whereby a three-phase boundary is formed . . .".

Claim 17 provides for "establishing contact between an aqueous electrolyte, maintaining a cathode of imporous precious metal . . . partially submerged in the electrolyte such that a portion of the area of the cathode is free of contact with said electrolyte while the remainder of its area is submerged in said electrolyte thereby providing at least one line of contact between said cathode and electrolyte, said line of contact enabling said free area of said cathode, the electrolyte and the gaseous atmosphere surrounding said cathode to form a three-phase boundary, maintaining said electro-

lyte in contact with said cathode in a substantially stagnant condition such that the meniscus forming the three-phase cathode-electrolyte-gas boundary is not substantially disturbed by movement of the electrolyte . . ."

These limitations in the claims were accepted by the patentee in order to overcome the rejection of his prior claims based upon the Haller patent. In Haller, it is clear that there is an exposed portion of the cathode with a film of electrolyte thereon, and means to cause a film of electrolyte to be so positioned [Deft. Ex. A, p. 100].

The limitations necessarily urged by the patentee Hersch to distinguish over the Haller patent was that the exposed portion of the Haller cathode had a film of electrolyte thereon and in Hersch's device there was no film of electrolyte on the portion of the cathode extending above the liquid level of the electrolyte in the device [R. .... Deft. Ex. A, pp. 47, 54, 55].

It is clear therefore in view of the law of file wrapper estoppel, that the appellant cannot now urge a construction for the claims of his patent that would cause them to read on a cathode having an electrolyte film on *any* portion thereof extending above the water line or the liquid level of the electrolyte in the device.

The appellant's brief does not meet or discuss the issues of file wrapper estoppel involved herein. The brief does not review the claims in the Hersch application as filed, the changes required therein to overcome the Haller patent U. S. 2,651,612 of record and the clear and unequivocal admissions made by the patent attorney prosecuting the application to the Patent Of-

fice requiring that the claims be construed in such a manner as would preclude their reading on appellee's device in which admittedly there is a *film* of electrolyte on the portion of the cathode extending above the liquid level of electrolyte in the device.

The appellant's comment in its brief to the effect that claims of different scope as to language in a patent are not to be interpreted in the identical manner does not change the foregoing. Here, *each* and *every* claim in suit is limited to a device having the portion of the cathode extending above the liquid level of the electrolyte free of any film of electrolyte. This, of course, is in keeping with the clear teaching of the specification — *that it was the object of the patentee to have the oxygen first impinge upon the exposed portion of the cathode that is entirely free of electrolyte and then migrate down the cathode and first contact the electrolyte at the liquid level in the cell.*

The appellant's device admittedly operates on a three-phase boundary principle. The three phases are, of course, the gas phase, the liquid phase and the solid phase and the three-phase boundary is the common meeting point of the said phases. The three-phase boundary as used in the patent in suit is the meeting point of the gas sample containing oxygen, the stagnant liquid electrolyte and the metal cathode at the liquid level of the electrolyte.

The appellant cannot claim in effect that his invention includes all such devices having a three-phase meeting point without further limitations as to the *location* of the said meeting point or the nature of the electrolyte or the construction of the cathode in that

limitations relative to the said cathode and electrolyte were accepted and introduced into each of the claims of the patent in suit during the prosecution thereof before the Patent Office. Thus, as has been hereinbefore discussed, appellant's liquid phase, *i.e.* the electrolyte, must be stagnant, the portion of the cathode extending above the liquid level of the electrolyte must be entirely free of electrolyte. In other words, the meeting point of appellant's three-phases is at the *liquid level* of the electrolyte in the cell. It is clear from Column 3, lines 15 through 42 of the patent in suit, that appellant desired to have its oxygen impinge on a cathode *free of even a film* of electrolyte and first contact the said electrolyte at the liquid level of the electrolyte in the device.

Before the District Court the appellant admitted that in the appellee's device the gas sample does not come in direct contact with the cathode or solid phase (*i.e.* the *only* gas contacting the defendant's cathode is that which has diffused through a film of electrolyte (R. 83 Admission 256)) and hence there is no three-phase boundary.

On rehearing the appellant tried to raise new issues neither asserted nor passed on by the District Court at the hearing for summary judgment. The appellant argued that the appellee's cathode while designed to have a film of electrolyte creep up the exposed portion thereof the cathode was not 100% covered by electrolyte and that there were one or more three-phase boundaries formed by dry spots on the cathode above the liquid level of the electrolyte in the cell. Even if appellant's contentions are correct, appellant's patent still does not

read on this supposed construction of appellee's device. Appellant's patent as aforementioned is based on a three-phase boundary principle but is further limited to a three-phase boundary at the liquid level of the stagnant electrolyte. The Cohn affidavit admits that any three-phase boundary caused by bare spots on the appellee's cathode are above the liquid level and hence not within the limitations of the appellant's patent.

Appellant's belated attempt to have the Court ignore other limitations in the claims of the patent in suit and to construe the patent to cover any such device with a three-phase boundary without regard to location thereof at the water line would be fatal to the patent. It is clear that the prior art German patent [Ex. A102] that was not cited by the Patent Office discloses a cathode positioned partially below and partially above the liquid level in the cell and the specification thereof expressly calls out that said arrangement includes a three-phase boundary.

In other words, unless the appellant is content to have the claims of the patent construed to cover only a three-phase boundary arrangement located *at the liquid level of the electrolyte* in the cell and with the portion of the cathode extending above said level entirely *free* of electrolyte the claims of the patent must be held invalid as clearly reading on even the preferred species of the prior German Patent 749,603 [R. A102].

Still further in an article in Instrument Practice written by Hersch [R. Deft. Ex. K], the patentee of the patent in suit, Hersch points out other prior users that have used a three-phase boundary type of operation in a galvanic cell used for the purpose of measuring oxy-

gen. It is axiomatic that the construction of a patentee's claim in addition to being limited by the file wrapper also must be limited by the prior art [See *Tropic-Aire, Inc. v. Cullen-Thompson Motor Co.* (C. C. A. 10, 1939), 107 F. 2d 671, 674].

Appellant in its brief also endeavors to create a straw man of no moment relative to the limitations found in all of the claims, except claim 10, that the cathode must be imporous. It is clear from a reading of the file wrapper and by contemporaneous statements of the patentee Hersch found in defendant's Exhibit K, that by "imporous" Hersch means a cathode so constructed that the electrolyte will not creep up the portion of the cathode extending above the liquid level of the electrolyte in the cell. Thus, all of the claims, including claim 10, are necessarily so limited because it like all of the other claims requires that the electrolyte be stagnant and the portion of the cathode extending above the liquid level of the electrolyte in the cell be free of a film of electrolyte. It is clear therefore and particularly in view of the language on pages 49 and 54 of the file wrapper [R. Deft. Ex. A] that the cathode in appellant's device must be constructed in such a way as to prevent *all* creeping of electrolyte up the portion of the cathode extending above the liquid level of the electrolyte in the said device.

It is submitted therefore that the District Court did not err in holding that appellant was estopped from contending that the claims of the patent in suit cover a device having a cathode designed to cause electrolyte to creep up the portion of the cathode extending above the liquid level of the electrolyte in the cell and form a film of electrolyte thereon.

As aforementioned, and as will be hereinafter set forth, appellee's cathode is designed to cause a film of electrolyte to creep up the exposed portion thereof and form a film of electrolyte thereon and of course it follows that said cathode cannot be imporous as said term is used in the patent and the file wrapper thereof.

B. The District Court Did Not Err in Finding That There Was No Genuine Issue as to the Material Fact That the Cathode in Appellee's Device Was Constructed and Designed in Such a Manner as to Cause the Electrolyte to Creep Up the Exposed Portion of the Said Cathode and Form a Film of Electrolyte Thereon.

A. Pursuant to Rule 56(e) of the Federal Rules of Civil Procedure, supporting and opposing affidavits on motions for summary judgment must be made on personal knowledge and must set forth facts that would be admissible in evidence.

(1) There Was No Genuine Issue as to Any Material Fact Concerning the Construction and Operation of the Appellee's Device on the Motion for Summary Judgment.

The appellee's affidavit of Reed C. Lawlor [R. 197] is based on his personal knowledge and describes the cathode in the defendant's device as consisting of eight members partly immersed in the electrolyte, each of which is composed of folded wire mesh screen portions forming eight double screens, and is so constructed *that by means of capillary attraction,* the electrolyte *creeps* up said portions of each of said eight cathode members extending above the liquid level of the electrolyte in the pool of electrolyte in defendant's device,

so as to *cause a film of electrolyte to cover defendant's cathode.* The defendant's device was also before the Court [R. Deft. Appellee's Physical Ex. A100].

The appellant offered no conflicting evidence to the foregoing construction and operation of the defendant's device at the hearing on the Motion for Summary Judgment. The only documents even submitted by appellant were the Bryan affidavit [R. 180] and Cohn affidavit [R. 182], neither of which sets forth any facts relative to the construction of appellee's device.

The District Court in finding that there was no issue as to a material fact as to the construction and operation of appellee's device followed prior decisions of this court and others as may be noted from the following:

> "While the plaintiff has stated that there is a genuine issue as to the construction of defendants' device and its operation, that is merely a conclusion, and there is no counter-affidavit as to the method of construction or function of defendants' device. Hence, the Court must accept the description of defendants' device, together with viewing the object itself, as being true. There is thus no genuine issue as to the construction or operation of defendants' device.

Radio City Music Hall v. United States (2d Cir. 1943), 135 F. 2d 715;

Engle v. Aetna Life etc. (2d Cir. 1943), 139 F. 2d 469;

Piantadosi v. Lowe's, Inc. (9 Cir. 1943), 137 F. 2d 535;

Gifford v. Travelers Protective Ass'n. (9 Cir. 1946), 153 F. 2d 209;

Duarte v. Bank of Hawaii (9 Cir. 1961), 287 F. 2d 51, 55.

"The affidavit of Bryan (R. 180) that the Patentee Hersch 'made an unequivocal statement in his presence,' to the effect that he considered the oxygen analyzer manufactured by the defendants to be 'an infringement' of the patent in suit, raises no genuine issue as to a material fact on the question of file wrapper estoppel, as it is hearsay, and at best, an expression of opinion by Hersch, and an opinion is not a fact. The affidavit of Cohn [R. 182], an expert, that in his 'opinion the oxygen analyzer manufactured by defendants is an infringement' of the patent in suit reaches no fact and creates no genuine issue.

"This is particularly so as to the opinions of both Hersch and Cohn because the plaintiff has one of defendants' devices and has operated it (Admissions No. 253 and 263), and had plaintiff desires to, it could have pointed out by affidavit the precise construction and operation of defendants' device which may, or may not, have raised a genuine issue.

"Moreover, by Admissions No. 256 and 257, plaintiff admits that defendants' device uses a wire screen cathode, and that the oxygen contacting the cathode has diffused through the electrolyte to the cathode. The latter is another way of saying that defendants' unimmersed portion of the cathode is *not 'free'* of contact with the electrolyte, as set forth in each of the claims in suit." [R. 242, line 28, R. 244, line 1].

It is submitted that in view of the foregoing the District Court did not err in holding that the afffidavits of Bryan and Cohn relied upon by appellant in opposing appellee's Motion for Summary Judgment were insufficient to raise a genuine issue of fact. This Court's attention is invited to its aforementioned decision in *Piantadosi v. Lowe,* 137 F. 2d 535, where at page 536, column 2, it was stated as follows:

> "Rule 56(e) of the Federal Rules of Civil Procedure, 28 U.S.C.A. following section 723c, declares with respect to summary judgments that: 'Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein.' Under this rule mere denials, unaccompanied by any facts which would be admissible in evidence at a hearing, are not sufficient to raise a genuine issue of fact."

It is clear from appellant's brief that appellant concedes that at least at the time of the hearing on the Motion for Summary Judgment, there was no affidavit or other evidence submitted by appellant to contradict the undisputed evidence submitted by appellee. It will be recalled that defendant's Motion for Summary Judgment was heard on *June 19 and 20, 1961* and granted by the Court on *July 24, 1961* [R. 240]. Appellant's Brief (pp. 16 to 21) refers *only* to the affidavit of Dr. J. Gunther Cohn which was filed *September 13, 1961,* in connection with appellant's Motion for Rehearing. Thus, appellant does not contend that prior thereto there was any genuine issue of a material

fact before the District Court as to the construction and mode of operation of the defendant's device. Thus, the District Court's decision granting appellant's Motion for Summary Judgment was clearly proper.

(2) The District Court Did Not Abuse Its Discretion and Was Not in Error in Denying Appellant's Motion for Rehearing and in Entering Summary Judgment for Appellee.

The Federal Rules of Civil Procedure provide that affidavits opposing a Motion for Summary Judgment should be filed before the hearing thereon (Rule 56(c)).

Following the Court's decision granting the appellee summary judgment the appellant filed a Motion for Rehearing and submitted a number of additional affidavits which are referred to on pages 20 and 21 hereof and will be further hereinafter discussed. Appellee contends that these affidavits do not create any genuine issue as to a material fact that would preclude the District Court from properly holding that appellant is estopped from contending as a matter of law that the claims of the patent in suit do not cover appellee's device.

(a) The Additional Affidavits Relied on by Appellant at the Motion for Rehearing Were Not Timely.

It is no new experience for a District Court to find a losing party dissatisfied with a ruling granting summary judgment and for said party to thereafter submit additional documents. In view thereof a number of Federal Courts have held that the District Court may properly disregard affidavits filed after a Motion

for Summary Judgment, particularly where no showing has been made as to why they were not filed earlier.

George P. Converse & Co. v. Polaroid Corporation (1957 C. A. 1), 242 F. 2d 116, 121;

Clark v. Montgomery Ward & Company (1962 C. A. 4), 298 F. 2d 346, 349;

Atlas v. Eastern Air Lines, Incorporated (1962 C. A. 1), 311 F. 2d 156, 162.

In *George P. Converse & Co. v. Polaroid Corporation* (C. A. 1, 1957), 242 F. 2d 116, 121, the Court held that the refusal to entertain a petition for rehearing did not constitute an abuse of District Court's discretion in view of fact that supporting affidavit did not contain anything not known to the unsuccessful plaintiffs prior to hearing on the granting motion for summary judgment. The appellant here has made no showing as to why Cohn's second affidavit could not have been filed prior to the hearing on the Motion for Summary Judgment. The appellant presented no evidence at the hearing on appellee's Motion for Summary Judgment to contradict appellee's contention as to the construction and mode of operation.

In *Clark v. Montgomery Ward & Company* (C. A. 4, 1962), 298 F. 2d 346, 349, the Court of Appeals held that the District Court properly rejected an affidavit under Rule 56(c) of the Federal Rules of Civil Procedure because it was submitted after the hearing and decision on a Motion for Summary Judgment. The Court said:

> "Indeed, the fact that the plaintiff did not repudiate these statements (referring to defendant's statements) or attempt to explain them away

admission and earlier testimony in an effort to create an issue of fact as to the construction and operation of defendant's device. It will be recalled that in response to a request for an admission appellant admitted that in appellee's device the only oxygen contacting the cathode is oxygen that is diffused through electrolyte to the cathode [R. 83, Appellant's sworn response to Defendant's request for admission No. 256]. As the District Court stated, this is another way of saying the unimmersed portion of appellee's cathode is *not* "*free*" of contact with the electrolyte, as set forth in each of the claims in suit [R. 243, line 30, to R. 244, line 1].

In *General Construction Company v. Hering Realty Company* (D.C. E.D. So. Car., 1962), 201 F. Supp. 487, 493, the Court refused to permit a party to contradict an admission in an answer in an effort to oppose a Motion for Summary Judgment. The Court also stated at page 493 that clients are bound by admissions of facts made by their attorneys.

In *International Carbonic Eng. Co. v. Natural Carb. Prod.* (D.C. S.D. Cal., 1944), 57 F. Supp. 248, 253 (affirmed 158 F. 2d 285), the district court held that the plaintiffs were estopped from denying the truth of answers to requests for admissions made pursuant to Rule 36 of the Federal Rules of Civil Procedure.

Other cases relevant thereto are:

Woods v. Taylor (D.C. Tenn., 1949), 9 F. R. D. 537, 538;

Batson v. Porter (C. A. 4, 1946), 154 F. 2d 566, 568.

In any event the affidavit of Cohn is irrelevant in that it does not create a genuine issue on a material fact. It does not even purport to establish there is no film of electrolyte on the portion of appellee's cathode above the liquid level of the electrolyte in appellee's device. In fact, said affidavit states as to appellee's device [R. 409, lines 18 to 23]:

> "The cell consists of 8 pairs of vertical silver screens having nominally 80 mesh to the lineal inch. The screens are mounted so that they are partly immersed into a pool of a solution of potassium hydroxide. Due to the close spacing between the two screens of a pair the solution rises by capillary action above the liquid level of the pool almost to the top of each pair of screens."

In view of the above, it will be apparent that the Cohn affidavit *adds cumulative support to the fact that appellee's cathode is designed to cause the electrolyte to creep up the cathode.* This creeper type cathode construction in appellee's device spells out an operation exactly *opposite* of that contemplated by the device described and claimed in the Hersch patent. The Hersch patent as may be noted from the file wrapper thereof, *i.e.* defendant's Exhibit A at page 54, contemplates the use of a cathode and a stagnant electrolyte to

> "prevent the creeping thereof (referring to electrolyte) along the exposed cathode surface."

Hersch testified at his deposition when examined by Mr. Bryan as a witness for appellant as follows:

> "Q. So then you contemplated in your U.S. patent that there would in fact be a film of elec-

trolyte on your cathode, did you not? A. I do not contemplate taking any deliberate steps to produce a film of eletrolyte on the exposed part of the cathode and I do not consider such a film as beneficial." [R. Tr. of Hersch Dep., p. 219].

In the foregoing appellee has pointed out that the affidavit of Cohn does not create a material issue as to the construction and operation of the appellee's device. Moreover it would not be an abuse of discretion for the District Court to disregard the Cohn affidavit as untimely in view of the applicable case authority heretofore discussed.

(b) The Knapp Affidavit.

The Knapp affidavit [R. 425] does not pretend to raise a genuine issue of fact relevant to the construction and mode of operation of the defendant's device.

(c) The Appellee's Robinson Patent U. S. 2,992,170.

Appellant contends that appellee's patent U. S. 2,-992,170 raises a genuine issue of fact. This patent is, of course, irrelevant to any of the issues raised by the pleadings [R. 2-6]. The charge in the complaint concerns a device made by appellee, not its patent. *Appellee's* patent, however, clearly spells out that appellee's device is designed in such a way as to cause the electrolyte *to creep up* on that portion of the cathode that is positioned above the liquid level in the cell [R. Robinson U. S. patent 2,992,170, column 1, lines 63-65; column 2, lines 5-17; column 4, lines 13-19, lines 65-70]. The Patent Office granted appellee patent over the Hersch patent in suit as a reference. Thus, if anything, the Patent Office decision rein-

forces the Court's finding that the cathode in the defendant's device differs in structure and mode of operation from that found in the Hersch patent in suit. Some courts in patent cases have held that where the defendant has acquired a patent this raises a presumption that there is no infringement of the plaintiff's patent particularly where as here the defendant's patent was granted over the patent owned by the plaintiff.

Automatic Toy Corporation v. Buddy "L" Manufacturing Company, Inc. (D. C. S. D. N. Y., 1938), 25 F. Supp. 520, 522 (affirmed 97 F. 2d 991);

Eastman Kodak Company v. McAuley et al. (D. C. S. D. N. Y., 1941), 2 F. R. D. 21, 23.

(d) *The Affidavit of Patent Attorney Deller.*

The Deller affidavit was also filed after the Court had granted appellee's Motion for Summary Judgment. It is untimely, an afterthought, and an effort to substitute a legal opinion of a New York patent attorney for that of a California District Judge on the law and only as to what imporous means from the file wrapper. The affidavit makes no mention of the construction and mode of operation of appellee's device nor does it discuss the meaning of the limitations in the claims of "stagnant" and "free of electrolyte."

The record remains clear that in appellee's device the cathode is designed to cause a film of electrolyte to creep up the portion thereof extending above the liquid level of the electrolyte in the cell and it was not error or an abuse of discretion for the District Court to hold that the documents filed by appellant on its Motion for Rehearing created no genuine issue of material fact relative thereto.

C. The District Court Did Not Err in Holding That Appellee Was Not Guilty of Unfair Competition Based on a Charge of Unfairly Using Information Covered by the Claims of the Patent in That It Is Undisputed From the Record That Appellee's Device Differs Both in Construction and Mode of Operation From That of Appellant's.

The charge of unfair competition herein is described in the second count of the complaint [R. 4, paras. 1 and 2]. The critical language thereof reads as follows:

> "Defendants have unfairly competed with the plaintiff by acquiring access on or about June 28, 1955 to information not known to the public relative to a working model of an oxygen analyzer *covered by the claims of the patent in suit.*" [R. 4, lines 22-25]. (Emphasis added).

Since the District Court found that appellee was not using the invention covered by the claims of the patent in suit and the complaint alleged the alleged unfair competition related thereto, it followed that appellee was not competing unfairly with appellant as charged in the complaint. Citing *American Securit Company v. Shatterproof Glass Corporation* (C.C.A. 3, 1959), 268 F. 2d 769, 774.

Additionally there was no dispute in the record before the District Court that all of the information claimed by the appellant as the subject of the unfair competition suit is set forth in the patent in suit [Bryant Dep., p. 151, line 31, to p. 152, line 18; p. 171, line 14, to p. 172, line 18].

Counsel for appellant stipulated in open court that no trade secrets are or were involved in its charge of unfair competition [R. Tr. of Hearing before the District Court Judge September 12, 1960, p. 19, lines 12 to 14].

It should be further noted that it was undisputed in the record that appellee Analytic Systems was organized after the issuance of the patent in suit, *i.e.* September 3, 1957, and appellee did not build the accused device until November of 1957 [R. 39, Statement 108, R. 59].

Thus, it was undisputed in the record that all of the information claimed to have been misappropriated in the count for unfair competition was published and in the public domain, except as protected by the claims of the patent under patent law, prior to the time that Analytic Systems went into business and prior to the time appellee built the accused structure.

It requires no citation of authority to hold that appellee is not competing unfairly with appellant as charged in view of the undisputed record herein that appellee is not using any alleged contribution of appellant to the oxygen analyzer art. In fact, as has been heretofore pointed out even by appellant, appellee is making a device upon which it secured its own patent U. S. 2,992,170.

The District Court could have gone further and dismissed the complaint for unfair competition in keeping with a decision of this Court on the ground that no trade secrets were involved as admitted by appellant's counsel in open court. In *Rohr Aircraft Corporation v. Rubber Tek, Inc.* (C. A. 9, 1959), 266 F. 2d 613, 621, this Court affirmed the dismissal of a cause of action for unfair competition coupled with a count for

patent infringement where the record showed no trade secrets were involved.

It is clear from a number of authorities that appellant can have no proprietary rights in published information. These authorities were reviewed by appellee in its memo before the District Court and said cases are set forth in the record herein [R. 125-135].

Appellant in its brief herein makes no direct reply to the ruling of the District Court that appellee, as shown by the record, is not using appellant's contribution to this art. In lieu thereof, appellant argues without any reference to the record whatsoever that it "desires" to urge "trade secret information under an implied confidential relationship, which information was not disclosed in the later issued patent" (Appellant's Br. p. 30). This statement only adds to appellant's dilemma in that it is outside the charge found in the complaint [R. 4] and a belated attempt to repudiate the admission that counsel for appellant made in open court that no trade secrets are involved [R. Tr. of Court Hearing September 12, 1960, p. 19, lines 12 to 14]. It is axiomatic that appellant is bound by the admission of its counsel as stated in *General Construction Company v. Hering Realty Company* (D. C. Ed. So. Car., 1962), 201 F. Supp. 487, 493.

Finally appellant acquired the patent in suit after appellee was in business and the prior owner has never contended that appellee *ever* committed any act of unfair competition [R. 3, 29, Admissions 73, 74, 76, 77, 78 and 79].

Conclusion.

It is submitted that in view of the Record, the Judgment of the District Court should be affirmed and such action is solicited.

Respectfully submitted,

KENDRICK & STOLZY,
ELWOOD S. KENDRICK,
Attorneys for Appellee.

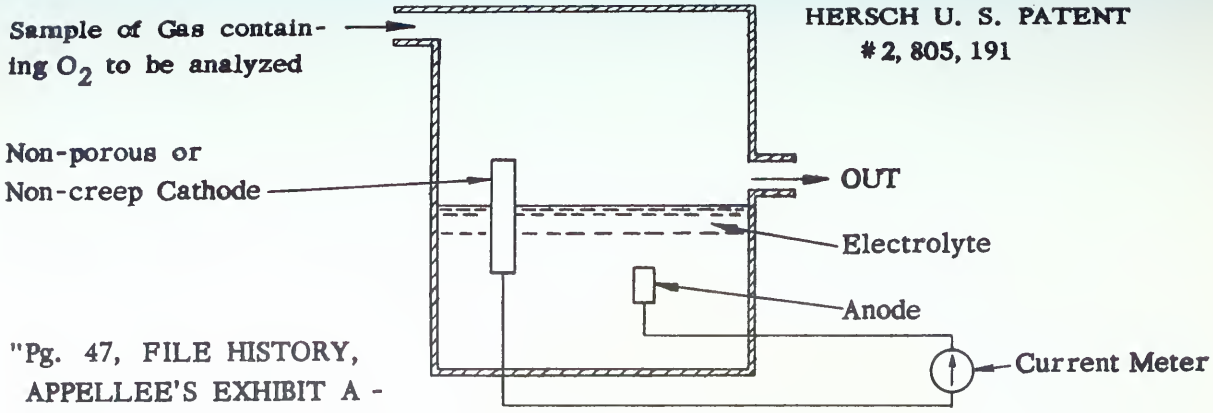
Of Counsel:
REED C. LAWLOR.

Certificate.

I certify that, in connection with the preparation of this brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

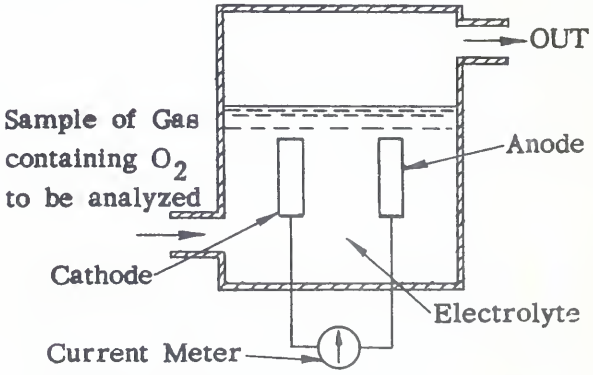
ELWOOD S. KENDRICK,

APPENDIX A.

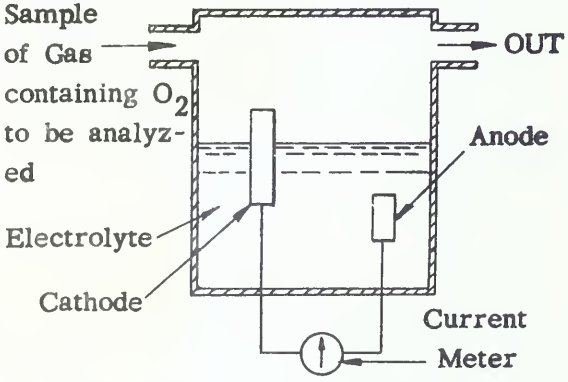


HERSCH U. S. PATENT #2, 805, 191

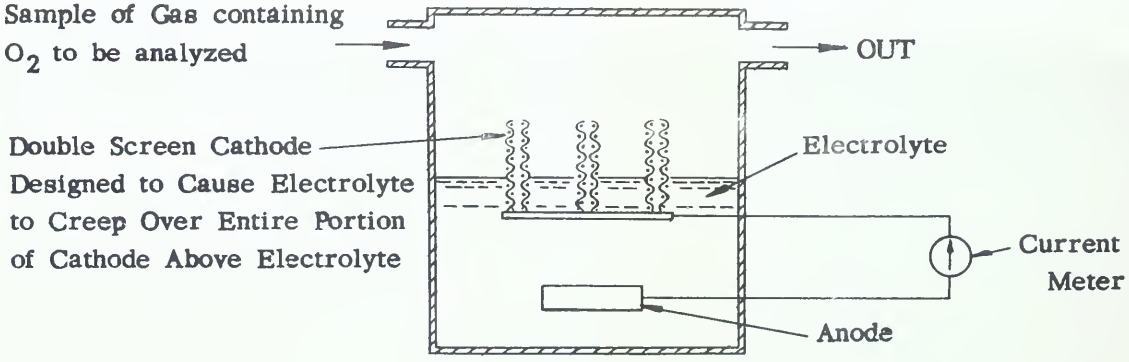
"Pg. 47, FILE HISTORY, APPELLEE'S EXHIBIT A - HERSCH DEPOSITION, Pg. 171, lines 8-13"



"ADMITTED PRIOR ART OF F. TODT" DEFENDENT'S EXHIBIT "K"



"GERMAN PATENT # 749, 603 - APPELLEE'S EXHIBIT A-102 HERSCH DEPOSITION - Pg. 93, line 24 through Pg. 94, line 26. JACOBSON PATENT - APPELLEE'S EXHIBIT A-103."



"APPELLEE'S EXHIBIT A100 - LAWLOR AFFIDAVIT [R. 199, lines 6-23]"